WRITTEN ANSWERS TO QUESTIONS

Dishonouring of Letters of credit by Central Bank of India

*205. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Bank of India is refusing to honour Rs. 51.69 lakhs worth of letters of credit opened by it in favour of Indian Bank on account of cotton bales supplied by Maharashtra Cotton Growers' Cooperative Marketing Federation to some cotton mills; and

(b) if so, what are the details thereof and what action is being taken by Government in the matter?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) Central Bank of India has reported that they had opened Letters of Credit at the request of New Swadeshi Mills, Ahmedabad in favour of The Maharasfra State Cooperative Cotton Growers' Marketing Federation Ltd., Bombay for purchase of cotton by the above mill for their textile units. The bank found discrepancies in the documents presented to them as the same were not in accordance with the terms contained in the Letters of Credit. The Maharashtra State Cooperative Cotton Growers' Marketing Federation Ltd. has filed a suit against the bank for recovery of their dues. The aforesaid mills have already been wound up under orders of Gujarat High Court and are under the charge of Official Liquidator.

General Exemption under FERA for NIRS in declaring Assests held abroad

*206. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal uneder Government's consideration to grant general exemption under FERA to NRIs from declaration of assests held by them abroad, retention of repatriable investment and FCNR deposits; and

(b) if so, what are the details thereof?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (b) A proposal envisaging, *inter-alia*, grant of exemption under various provisions of FERA, 1973 for declaration of foreign currency assets held by the NRI if they choose to come to India for a temporary period for setting up industrial/business enterprises or taking up specialised short term assignments, has been received. The matter is under examination.

Effect of Bansagar Dam in villages etc. of Madhya Pradesh

*207. SHRIMATI RATAN KUMARI: Will the Minister of WATER RESOURCES be pleased to state:

(a) how many villages and how much land in Madhya Pradesh are likely to be adversely affected due to the completion of Bansagar Dam;

(b) what arrangements have been made for payment of compensation for land and property and for the resettlement of the oustees and

(c) whether required funds are being made available by the Central Government and from the State Governments of Uttar Pradesh and Bihar to the Madhya Pradesh Government and if so, what are the details in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF WATER